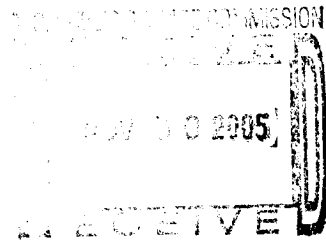


# ELLIS:LAWHORNE

John J. Pringle, Jr.  
Direct dial: 803/343-1270  
[jpringle@ellislawhorne.com](mailto:jpringle@ellislawhorne.com)

November 29, 2005



## **VIA ELECTRONIC AND FIRST-CLASS MAIL SERVICE**

The Honorable Charles L.A. Terreni  
Chief Clerk  
**South Carolina Public Service Commission**  
P.O. Drawer 11649  
Columbia, SC 29211

RE: Application of Pac-West Telecomm, Inc. for a Certificate of Public Convenience and Necessity to Provide Facilities-Based and Resold Local Exchange and Interexchange Telecommunications Services, for Flexible Rate Structure for Local Exchange Exchange Service Offerings First Approved in Docket 97-467-C and for Alternative Regulation First Approved in Docket No. 95-661-C  
**Docket No. 2005-294-C, Our File No. 1072-10322**

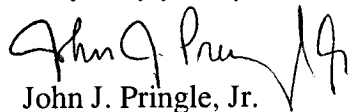
Dear Mr. Terreni:

Enclosed is the original and twenty-five (25) copies of the **Testimony of John F. Sumpter** filed on behalf of Pac-West Telecomm, Inc. in the above-referenced docket.

*lu* Please acknowledge your receipt of this document by file-stamping the copy of this letter enclosed, and returning it in the enclosed envelope.

If you have any questions or need additional information, please do not hesitate to contact me.

Very truly yours,



John J. Pringle, Jr.

JJP/cr

cc: Brian McDermott, Esquire [via first-class mail service]  
Mr. John F. Sumpter, Esquire [via first-class mail service]  
Office of Regulatory Staff  
Peg Fox, Esquire  
Enclosures



1 serve as Chairman of the Board of CALTEL, the California Association of Competitive  
2 Telecommunications Companies and of CACE, the California Alliance for Consumer  
3 Education.

4 I received a B.S. in Business Administration and an M.B.A. (economics and  
5 accounting) from California State University at Los Angeles. I attended the Engineering  
6 Economics Seminar at Iowa State University in 1978 and the Berkley Executive Program  
7 at the University of California in 1994.

8 **Q. What is the purpose of your testimony in this proceeding?**

9 A. The purpose of my testimony is to describe the resold and facilities-based services that  
10 Pac-West proposes to offer in South Carolina and to review issues related to Pac-West's  
11 request for a certificate of public convenience and necessity to provide such services. My  
12 testimony specifically relates to Pac-West's managerial, financial, and technical  
13 competence to provide the telecommunications services for which authority is requested,  
14 and its capability and willingness to comply with the rules and policies of this  
15 Commission.

16 **Q. Please describe the authority that Pac-West seeks from the Commission.**

17 A. Pac-West seeks to offer all forms of resold and facilities-based interexchange and local  
18 exchange telecommunications services throughout the State of South Carolina.

19 **Q. Please describe the corporate structure of Pac-West.**

20 A. Pac-West is a corporation and is publicly traded on the Nasdaq exchange under the  
21 symbol "PACW." The company was formed in 1981 and is celebrating its 25<sup>th</sup>  
22 anniversary this year. Pac-West's success in developing innovative products and services  
23 and in expanding its geographic reach has translated into impressive growth in recent

1 years, and as such Pac-West is extremely well-qualified financially to operate and expand  
2 its business. In 2004, Pac-West's usage grew to 44.7 billion minutes of use generating  
3 revenue of more than \$124 million.

4 **Q. Does Pac-West possess the requisite managerial, financial, and technical abilities to**  
5 **provide the services for which it has applied for authority?**

6 A. Yes.

7 **Q. Please describe Pac-West's managerial and technical qualifications.**

8 A. Pac-West possesses the managerial and technical qualifications to provide its proposed  
9 telecommunications services. Pac-West has 25 years of experience in voice telephony  
10 and currently operates one of the most comprehensive local access networks in the  
11 Western United States. Pac-West is currently authorized to provide telecommunications  
12 services in the states of Arizona, California, Colorado, Idaho, Nevada, New Mexico,  
13 Oregon, Pennsylvania, Utah, Washington and the District of Columbia. Pac-West is  
14 currently seeking certification in numerous other states nationwide, and has applications  
15 pending in Alabama, Delaware, Florida, Georgia, Kentucky, Louisiana, Maryland,  
16 Massachusetts, New York, New Jersey, North Carolina, Rhode Island, South Carolina,  
17 and Virginia. Pac-West has not been denied requested certification in any jurisdiction.  
18 Descriptions of the telecommunications and managerial experience of Pac-West's key  
19 personnel, who have extensive management, financial, and technical experience, are  
20 provided with the Application as Exhibit D.

21 **Q. Please describe Pac-West's financial qualifications.**

22 A. As explained in its Application, Pac-West possesses the financial qualifications necessary  
23 to conduct its telecommunications operations. Financial statements demonstrating Pac-

1 West's financial capability to offer the proposed services have been submitted as Exhibit  
2 C of its Application.

3 **Q. Please describe the types of services that Pac-West will offer in South**  
4 **Carolina.**

5 A. Pac-West intends to provide facilities-based and resold local exchange and interexchange  
6 telecommunications services in South Carolina. While Pac-West will offer voice services  
7 to customers utilizing the traditional circuit-switched public network, Pac-West will also  
8 offer services using Internet Protocol over the emerging packet-switched public network  
9 to provide voice and data applications that interact seamlessly with the traditional public  
10 switched network. Pac-West will continuously monitor and maintain a high level of  
11 control over its network on a 24-hours-a-day, 7-days-a-week basis to ensure that Pac-  
12 West provides safe, reliable, and high-quality telecommunications services in South  
13 Carolina.

14 **Q. What facilities will Pac-West use to provide its proposed local exchange services?**

15 A. Pac-West's telecommunications services in the State of South Carolina will initially be  
16 provided through the resale of the facilities of other certificated carriers. Pac-West will  
17 deploy its own facilities in South Carolina as business and market conditions warrant.

18 **Q. What geographic areas will Pac-West serve?**

19 A. Pac-West seeks authority to provide service throughout the State of South Carolina.

20 **Q. Please provide the name, address and telephone number of the person that will**  
21 **serve as your company's contact to the Consumer Service Division for complaint**  
22 **resolution.**

1 A. For complaint resolution, please contact Lynne Martinez, Director Government Affairs,  
2 1776 W. March Lane, Suite 250, Stockton, CA 95207, Tel: (209) 926-4339, Fax: (209)  
3 926-4585, Email: lmartin@pacwest.com.

4 **Q. If authorized to provide competitive telecommunications services, will Pac-West**  
5 **abide by the rules, regulations, policies and orders of this Commission, and the laws**  
6 **of the State of South Carolina, as now adopted or that may be adopted in the future,**  
7 **in its provision of competitive intrastate telecommunications services?**

8 A. Yes. Pac-West commits to abide by all rules and regulations that are deemed to be  
9 applicable to Pac-West. Pac-West also agrees to abide by all 911 requirements at such  
10 time as Pac-West begins to provide local exchange service.

11 **Q. How will Pac-West guard against slamming?**

12 A. Pac-West will prevent unauthorized switching of customers by obtaining a signed letter  
13 of authorization ("LOA"), or similar authorization, from all new customers. Pac-West  
14 will comply with South Carolina law and Federal Communications Commission ("FCC")  
15 regulations regarding how carriers may change a customer's Primary Interexchange  
16 Carrier.

17 **Q. How will Pac-West bill for its services?**

18 A. Pac-West will bill customers directly for the services it provides its customers.

19 **Q. How will Pac-West handle service, billing and repair complaints?**

20 A. Pac-West has a toll-free number, (877) 626-4325, that customers may call to register  
21 service, billing and repair complaints. Customers may also send written inquiries and  
22 complaints to Pac-West's Customer Care Center, 4210 Coronado Avenue, Stockton, CA  
23 95204.

1 Pac-West views customer satisfaction as critical to its success in the competitive  
2 marketplace and will address all services, billing, and repair complaints and inquiries  
3 promptly.

4 If Pac-West is unable to resolve a billing complaint to a customer's satisfaction,  
5 Pac-West will advise the customer of its right to file a complaint with the South Carolina  
6 Public Service Commission.

7 **Q. What regulatory treatment is Pac-West seeking for its local exchange services?**

8 A. Pac-West requests that the Commission allow it to employ a flexible local exchange rate  
9 structure first authorized by Order No. 98-165 in Docket No. 97-467-C. Specifically, Pac-  
10 West requests that the Commission: a) adopt for its local exchange services a competitive  
11 rate structure incorporating maximum rate levels with the flexibility for rate adjustment  
12 below the maximum rate levels; and b) presume that Pac-West's tariff filings for local  
13 exchange services be valid upon filing, subject to the Commission's authority, within  
14 thirty (30) days, to institute an investigation of such filings. At the discretion of the  
15 Commission such filings may be suspended pending further order of the Commission and  
16 any such filings may be subject to the same monitoring process as the Commission  
17 applies to other, similarly situated carriers.

18 **Q: What regulatory treatment is Pac-West seeking for its interexchange services?**

19 A: Pac-West requests that its business service offerings be regulated pursuant to the  
20 procedures described and set forth in Order Nos. 95-1734 and 96-55 in Docket No. 95-  
21 661-C, as modified by Order No. 2001-997 in Docket No. 2000-407-C. Specifically,  
22 Pac-West requests that the Commission regulate its business services in the same manner  
23 as the Commission regulates those of AT&T Communications of the Southern States,

1 Inc. ("AT&T"). Further, Pac-West requests that the Commission: a) Remove the  
2 maximum rate tariff requirements for Pac-West's business services and future private  
3 line, and customer network-type offerings; b) Presume that Pac-West's tariff filings for  
4 these services be valid upon filing. However, if the Commission institutes an  
5 investigation of a particular filing within seven (7) days, the tariff filing will be  
6 suspended until further order of the Commission; and c) Grant Pac-West the same  
7 treatment as AT&T in connection with any future relaxation of the Commission's  
8 reporting requirements.

9 **Q. Will Pac-West comply with all applicable Commission service rules and billing**  
10 **standards?**

11 A. Yes.

12 **Q. Please describe the public interest benefits associated with Pac-West's proposed**  
13 **offering of telecommunications services in South Carolina.**

14 A. Both the South Carolina legislature and the United States Congress, through the  
15 Communications Act of 1934, as amended ("Federal Act"), have determined that it is in  
16 the public interest to promote competition in the provision of telecommunications  
17 services. The Federal Act was designed to promote increased competition in the  
18 telecommunications market. Moreover, the Commission has already determined that the  
19 grant of applications for competing licenses to provide telecommunications service is in  
20 the public interest. The grant of Pac-West's Application will further the public interest  
21 by expanding the availability of alternative sources of telecommunications services in the  
22 State of South Carolina. Pac-West's proposed services will provide multiple public  
23 benefits by providing users of telecommunications services with a greater range of



1 competitive choices. In addition, increased competition will create incentives for lower  
2 prices, more innovative services, and more responsive customer service.

3 Enhanced local exchange and interexchange services competition also will  
4 stimulate the demand for the services supplied by all carriers, including the Incumbents.  
5 The Incumbent Carrier will have market incentives to improve the efficiency of their  
6 operations, and will benefit from the increased use of telecommunications services, due  
7 to the expansion of the total market for telecommunications services.

8 Furthermore, increased competition has driven telecommunications prices  
9 downward, which benefits South Carolina consumers who have seen concomitant  
10 reductions in their bills, which in turn has contributed to strengthening the South Carolina  
11 economy.

12 **Q: Is the Company willing and able to conform to the Constitution and laws of the**  
13 **State of South Carolina and to the rules and regulations of the Commission, unless**  
14 **application of such rules and regulations is specifically waived by the Commission?**

15 **A:** Yes.

16 **Q: Will the Company file all applicable reports as required by the Commission?**

17 **A:** Yes. Pac-West is aware of the Commission's requirements that all telecommunications carriers  
18 file a report on South Carolina operations, a gross receipts report, and a universal service  
19 contribution report on an annual basis.

20 **Q. Does this conclude your testimony?**

21 **A.** Yes, it does.